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28 NOV 1975

MEMORANDUM FOR: Director, Defense Intelligence Agency

SUBJECT : FY-75 KEP

1. In response to my request, the Intelligence Community Staff has provided an interim report on the status of the FY-75 KEP (copy attached).

2. The preliminary conclusion, based on NIO subjective performance assessments, and performance data provided by Community producers and collectors, is that about two-thirds of the FY-75 KIQs were satisfactorily answered--on 42 KIQs the IC essentially achieved the production and collection goals set forth in applicable strategies--at a cost of about one-third of the IC's O&M operating budget for FY-75.

3. While there were, as expected in such a 'first' effort, a number of ambiguities and some inconsistencies, it seems clear that the process is workable and that useful findings will emerge. Recognizing that GDIP/SRV must address lesser priority national and departmental/tactical needs as well as KIQs, it is, nonetheless, a little surprising to note the low percentage of O&M expenditures these programs devoted to KIQ-related activities; 10% and 13%, respectively.

4. Considering production alone, performance data provided by DIA shows that while KIQ-related GDIP expenditures represent 44% of total Community effort, the [redacted] involved are less than 15% of total production expenditures for the year. The GDIP/SRV collection/processing performance data provided [redacted] Committees shows that these two programs accounted for [redacted]

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of the Community's KIQ-related [REDACTED]

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[REDACTED] expenditures. (I was interested to note that in NIO eyes, the relative contribution of the military attaches was one-sixth that of the Foreign Service and one-half that of non-NFIP organizations--Treasury, Agriculture, ERDA, Commerce, etc..) While providing the full range of production performance data requested by KEP reporting instructions, the information on products and producers was often ambiguous, sometimes repetitious, and frequently inconsistent. This situation in part resulted from DIA's decision to acquire data quarterly, and the manner in which individual data sheets were edited, which provided opportunities for 'double' counting and delay in meeting suspense dates.

5. Since the concept of evaluating Community performance by relating outcome and performance to priorities and resource expenditures appears sound, we must continue to put the effort and discipline into the process that success demands.

6. To firmly establish the KEP as a viable and productive effort requires:

a. continued active DIA participation in the development of KIQ collection and production strategies--both directly and through appropriate USIB committees--to ensure a common approach and structure, consistency of detail in the identification of internal goals and objectives, and precision in specifying the tasks for which commitments are to be sought;

b. continued examination of DIA intelligence production schedules to assure that the scope and detail of publications pertinent to KIQs are in consonance with the production goals and tasks set forth in KIQ strategies;

c. care be exercised to identify all KIQ-related products, services and support;

d. timely responsiveness to reporting guidance and instructions;

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e. review of the practices described in paragraph 3, above, to enhance the credibility of production data;

f. precision and consistency in reporting titles/subjects, types of products, and producing organizations/offices; and

g. recommendations for 'measuring' intelligence production and procedures for insuring an appropriate share of basic intelligence activities and support are attributed to KIQ efforts.

7. The KEP continues to be an important endeavor, one that must be established and regularized as soon as possible. I am counting on your continued support in this effort.

SIGNED

W. E. Colby

Attachment

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